



四川能投發展股份有限公司

Sichuan Energy Investment Development Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 1713

2020

Environmental, Social and Governance Report



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1 ABBREVIATIONS

Unless otherwise stated in the Report, the following terms are defined as follows:

“Sichuan Energy Investment Development”	Sichuan Energy Investment Development Co., Ltd.
“The Report”	Sichuan Energy Investment Development Co., Ltd.’s 2020 Environmental, Social and Governance Report
“Headquarters”	Headquarters of Sichuan Energy Investment Development Co., Ltd., excluding its subsidiaries
“Subsidiaries”	Subsidiaries of Sichuan Energy Investment Development that are included in the Report’s scope (refer to section “2.1 Reporting Scope” for details)
“We”, “the Group”	Collective reference of Sichuan Energy Investment Development Co., Ltd. and subsidiaries
“ESG”	Environmental, social and governance
“The Reporting Period”	1 January, 2020 to 31 December, 2020
“Board of Directors”	Board of Directors of Sichuan Energy Investment Development Co., Ltd.
“PRC”	People’s Republic of China
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“SEHK”	The Stock Exchange of Hong Kong Limited
“the Guide”	Environmental, Social and Governance Reporting Guide (2016 version), Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Yuan”	Renminbi yuan, the lawful currency of PRC

2 ABOUT THE REPORT

The Report is the third ESG report issued by the Group after its listing on SEHK. It aims to present Sichuan Energy Investment Development's sustainable development performance in 2020 in response to the Group's stakeholders' concerns related to sustainable development topics. The information in the Report comes from internal documents and related statistical data of the Group. The Report is published in both Traditional Chinese and English. If there were any discrepancies in the report content, the Traditional Chinese version shall prevail. The electronic version of the Report can be read and downloaded through the Group's official website and SEHK website.

2.1 REPORTING SCOPE

The Report covers Sichuan Energy Investment Development's headquarters and its subsidiaries that mainly affect Sichuan Energy Investment Development's performance, assets or liabilities. The list of subsidiaries and their principal activities are as follows:

Subsidiaries	Abbreviations	Principal Activities
Sichuan Energy Investment Xuzhou Electricity Co., Ltd.	Sichuan Energy Xuzhou Electricity	Power supply
Sichuan Energy Investment Gao County Electricity Co., Ltd.	Sichuan Energy Gao County Electricity	Power supply
Sichuan Energy Investment Gong County Electricity Co., Ltd.	Sichuan Energy Gong County Electricity	Power supply
Sichuan Energy Investment Xingwen Electricity Co., Ltd.	Sichuan Energy Xingwen Electricity	Power supply
Sichuan Energy Power Investment Pingshan Electricity Co., Ltd.	Sichuan Energy Pingshan Electricity	Power supply
Sichuan Energy Investment Junlian Electricity Co., Ltd.	Sichuan Energy Junlian Electricity	Power supply
Shufu Yangliutan Power Generation Co., Ltd.	Sichuan Energy Yangliutan Power Generation	Power generation
Sichuan Energy Power Investment Yibin Electricity Engineering Construction Co., Ltd.	Sichuan Energy Yibin Electricity Construction	Construction
Sichuan Energy Investment Electricity Energy Co., Ltd.	Sichuan Energy Electricity Energy	Electricity sales
Sichuan Energy Investment Gao County Yuejiang Power Generation Co., Ltd.	Sichuan Energy Yuejiang Power Generation	Power generation
Yibin County Xuzhou District Changyuan Infrastructure Co., Ltd.	Sichuan Energy Yibin Changyuan	Installation and maintenance

Unless otherwise stated, the time frame of the Report is from 1 January, 2020 to 31 December, 2020.

2 ABOUT THE REPORT

2.2 BOARD OF DIRECTORS' RESPONSIBILITIES

The Board of Directors has determined the Group's ESG-related risks and opportunities, formulated ESG-related management policies, strategies, priorities and targets and determined the scope of the Report. At the same time, the Board of Directors ensures that the Group has a suitable and effective risk management and internal control system and assumes overall responsibility for the Group's ESG issues. The Board of Directors is responsible for approving the disclosure of the Report to ensure that there are no false records, misleading statements or major omissions in the content of the Report, guaranteeing its authenticity and completeness.

2.3 REPORTING GUIDELINES

The Group compiled the Report in accordance with the Environmental, Social and Governance Reporting Guide (2016 version), Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited issued by SEHK. The Report has complied with all the "comply or explain" clauses in the Guide and has been prepared in accordance with the four reporting principles in the Guide: materiality, quantitative, balance and consistency. The specific compliance of the Report with the Guide is summarized in the "Content index of the Environmental, Social and Governance Reporting Guide " chapter.

2.4 RESPONSE TO THE REPORT

We welcome readers' comments and suggestions on the Report. You can also contact the Group by the following methods:

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3 GROUP PROFILE

Sichuan Energy Investment Development Co., Ltd. was founded in Chengdu City, Sichuan Province on 29 September, 2011 and listed on the Main Board of SEHK in December 2018, becoming the first company in the domestic electricity distribution and sales industry to be listed on the H-shares market.

We are a vertically integrated power supplier and service provider in Yibin City, Sichuan Province, with a full power supply value chain covering power generation and electricity distribution and sales. We have a stable user base and a comprehensive network of power supply in Yibin City, which allows us to optimize the balance usage of power resources within our power supply network through efficient allocation of electricity. Our business currently consists of (i) power business, which includes power production, distribution and sales; and (ii) electric engineering construction and service business, which consists of electrical engineering construction service and sales of electric equipment and materials.

As of the end of the Reporting Period, we realized a total asset value of 4.492 billion yuan, an increase of 0.3% over the same period last year.

4 MESSAGE FROM MANAGEMENT

2020 is an extraordinary year. In face of the sudden outbreak of COVID-19 pandemic, the Group united to work on pandemic prevention and control on one hand, and work recovery on the other hand, achieving the “win-win situation” of pandemic prevention and corporate development.

We always adhere to the concept of green development. In 2020, the Group introduced new grid-connected hydropower stations to provide green energy for the sustainable development of the city. We continuously strengthened the upgrading of the power grid, improved the structure of the power grid and reduced transmission loss. We value environmental protection, carried out fish propagation and release in the Hengjiang region and made positive contributions to improving the living environment for rare and unique fish in the upper Yangtze River. We vigorously developed the charging pile business, strongly supported the promotion and application of new energy vehicles and promoted energy conservation and emission reduction.

We always adhere to the principle of safe development, constantly improving the safety management system, increasing the investigation and management of safety hazards to enhance the level of intrinsic safety. We vigorously carry out safety awareness and job skills training for all employees and cultivate a safety culture with the Group’s characteristics. In 2020, the Group's condition of safety production continued to be stable, and no production safety accidents above general level occurred throughout the year.

We always insist on fulfilling our social responsibilities. While the whole country was fighting against the COVID-19 pandemic in 2020, the Group continued to be on duty to maintain normal electricity usage in the society. On 18 August, 2020, Yibin City encountered a once-in-a-century storm. The Group reacted swiftly and managed to restore the electricity for 38,882 households within the shortest period of time, demonstrating our corporate social responsibility.

Finally, on behalf of the Board of Directors, I would like to thank all shareholders, business partners and customers. I also sincerely thank all employees for their efforts and contributions and their families for their understanding and support. We will continue to initiate transformation and promote innovation to serve the society and create value, continuing our efforts to build a first-class modern integrated energy service enterprise!

Chairman,
Xiong Lin

5 SUSTAINABILITY MANAGEMENT

5.1 ESG MANAGEMENT STRUCTURE

The Group establishes an ESG management structure overseen by the Board of Directors, with an ESG working committee led by senior management with participation of middle management and general employees. The committee is composed of representatives of functional departments and subsidiaries of the Group that are involved in ESG management. The committee is responsible for delivering and communicating the Group's ESG strategies and specific initiatives, as well as collecting and reporting management measures and performances related to ESG issues.

5.2 STAKEHOLDER ENGAGEMENT

Stakeholder engagement is an important part of corporate's ESG management. The Group's major stakeholders include governments and regulatory authorities, investors, employees, customers, suppliers and communities. During the Reporting Period, we actively maintain and promote a comprehensive and efficient stakeholder communication mechanism, continuously learning the expectations of stakeholders and the ESG issues that are highly concerned by them and responding to their demands through diverse means of communication.

Stakeholders	Key concerns	Communication Methods	Key Actions in 2020
Governments and Regulatory Authorities	<ul style="list-style-type: none"> - State-owned assets preservation and appreciation - Fulfil social responsibility - Enhance business environment - Boost economic development - Safe and reliable power supply - Environmental protection measures in place - Legal and Compliance Operations 	<ul style="list-style-type: none"> - Participate in related policy discussions and compile a special investigation report - Conduct seminars - Compliance disclosure 	<ul style="list-style-type: none"> - Implement national policies - Comply with national laws and regulations - Enhance business environment - Cooperate with compliance supervision - Fulfil social responsibility

5 SUSTAINABILITY MANAGEMENT

Stakeholders	Key concerns	Communication Methods	Key Actions in 2020
Investors	<ul style="list-style-type: none"> - Financial performance - Corporate governance - Return on investment - Corporate transparency - Corporate sustainable development 	<ul style="list-style-type: none"> - Shareholders general meeting and other shareholders meetings - Financial reports - ESG reports - Circulars and announcements - Corporate website and emails 	<ul style="list-style-type: none"> - Hold shareholders general meeting and Board of Directors meetings regularly - Disclose announcements and in a timely and accurate manner
Employees	<ul style="list-style-type: none"> - Salary and benefits - Rights protection - Career development - Safety and health - Corporate culture 	<ul style="list-style-type: none"> - Employee supervisor in the supervisory board - Trade union organizations, employee representatives - Employee opinion surveys, employee discussions, and unobstructed feedback channels - Increase information disclosure 	<ul style="list-style-type: none"> - Cultivate and establish corporate culture - Strengthen employees' professional skills training - Protect employees' rights and benefits - Guarantee employees' health and safety

5 SUSTAINABILITY MANAGEMENT

Stakeholders	Key concerns	Communication Methods	Key Actions in 2020
Customers	<ul style="list-style-type: none"> - Safe and reliable power supply - Legal prices and regulations - High quality and efficient service - Timely response 	<ul style="list-style-type: none"> - Publish service information - Customer visits - Communication during service - Service hotline and electricity business mobile application - Customer opinion survey processing and feedback 	<ul style="list-style-type: none"> - Efficient dispatch and reliable power supply - Adjust electricity prices according to policies - Emergency response in case of disaster - Sincere service and customer first - Clear authority and protect privacy - Innovative services for users

5 SUSTAINABILITY MANAGEMENT

Stakeholders	Key concerns	Communication Methods	Key Actions in 2020
Suppliers	<ul style="list-style-type: none"> - Jointly comply with business ethics and national laws and regulations - Strictly comply with environmental protection policies and regulate safety management - Keep promises, mutual benefit and win-win 	<ul style="list-style-type: none"> - Publish supplier and contractor management regulations - Share management experience and technical standards - Daily business communication - Increase information disclosure 	<ul style="list-style-type: none"> - Establish an open and transparent project bidding system - Prepare legal and equal cooperation contracts - Actively communicate and coordinate with contractors to create a safe and healthy operating environment - Provide equal opportunities for suppliers
Community	<ul style="list-style-type: none"> - Targeted poverty alleviation - Community Building - Volunteer activities 	<ul style="list-style-type: none"> - Communicate with local governments - Community visits and exchanges 	<ul style="list-style-type: none"> - Targeted poverty alleviation - Focus on grid power construction - Focus on public welfare - Carry out volunteer activities

5 SUSTAINABILITY MANAGEMENT

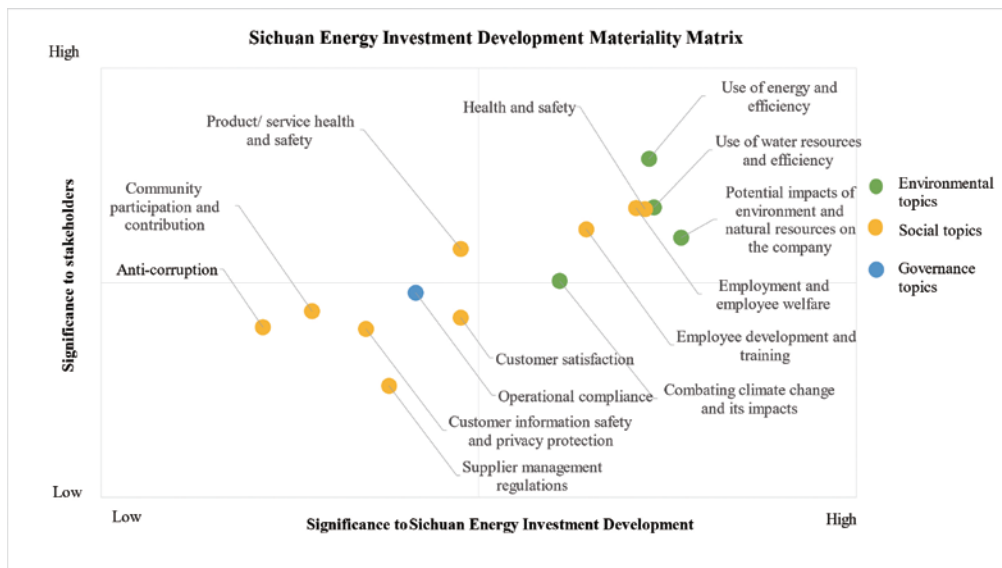


On 16 July, 2020, Sichuan Energy Gong County Electricity held the 2020 Key Customers Symposium to promote the service principle of “High quality, Convenience, Standardization, Sincerity”, providing more efficient and convenient service to customers. More than 20 corporate customers attended the meeting, including representatives from Gong County Economic, Commercial Information and Science and Technology Bureau, Huafu Shuangshan Cement Building Material Co. Ltd., Yibin Willis Float Glass Manufacturing Co., Ltd., etc. During the meeting, Mr. Qiuling, the executive director of Sichuan Energy Gong County Electricity indicated that Sichuan Energy Gong County Electricity will further strengthen the communication with various customers to achieve “obstacle-free supply” and develop a regional harmonious power grid, achieving prosperous co-development of enterprises.

5 SUSTAINABILITY MANAGEMENT

5.3 ASSESSMENT OF MATERIAL ESG TOPICS

Stakeholder engagement is an important tool for the assessment of material ESG topics. Based on the reporting guidelines used in the Report and the Group's business nature, we identified 14 ESG topics to form the 2020 ESG topic database. To further identify the ESG topics that the key stakeholders are highly concerned with, we invited internal stakeholders (including directors and management) and more external stakeholders (including employees, investors, suppliers, customers and the community) compared to 2018 to participate in the online questionnaires and analysed the questionnaire results. We assessed the significance of the ESG topics to the stakeholders through analysing the responses from employees, investors, suppliers, customers and the community; and assessed the significance of the ESG topics to Sichuan Energy Investment Development through analysing the responses from directors and management. The results of the materiality assessment are presented in the following materiality matrix.



5 SUSTAINABILITY MANAGEMENT

The results of the materiality assessment have been reviewed and confirmed by the Group's management. At last, 6 material ESG topics have been selected. In the subsequent chapters of the Report, we will focus on disclosing the Group's management and performance related to these material ESG topics in order to respond to the concerns and expectations of various stakeholders and to fulfil the "materiality" reporting principle of the Guide.

Materiality ranking (From high to low)	2020 Material ESG topics
1	Use of energy and efficiency
2	Use of water resources and efficiency
3	Health and safety
4	Employment and employee welfare
5	Potential impacts of environment and natural resources on the company
6	Employee development and training

6 OPERATIONAL COMPLIANCE

The Group has always been strengthening compliance building. On the basis of providing reliable and stable power supply to general users, we also focus on operating in accordance with the law and continuously enhancing our corporate management mechanism. We are dedicated to protecting customers' rights and enhancing customer satisfaction. At the same time, we constantly strengthen the management of suppliers' environmental and social risks and promote the establishment of corruption-free corporate culture, pushing forward the Group's sustainable development.

6.1 QUALITY GUARANTEE

During the Reporting Period, the Group has strictly complied with the following laws and regulations that have a significant impact on the Group, relating to the health and safety of products and services, and privacy matters (including but not limited to):

Electric Power Law of the People's Republic of China

Work Safety Law of the People's Republic of China

Product Quality Law of the People's Republic of China

Patent Law of the People's Republic of China

Trademark Law of the People's Republic of China

Anti-Unfair Competition Law of the People's Republic of China

Law of the People's Republic of China on the Protection of Consumer Rights and Interests

Rules of Power Supply Business

Safe Power Supply

As an excellent and reliable energy enterprise, the Group has always ensured the safe operation of the power grid and reliable power supply for protecting the lives and property of general public. The main sources of electricity we sell are electricity generated by the Group's own hydropower stations and electricity purchased from third-party suppliers. The Group operates through a series of power supply facilities, including step-up and step-down substations, transmission and distribution lines (for terminal users) to distribute power to industrial, commercial, household and other users.

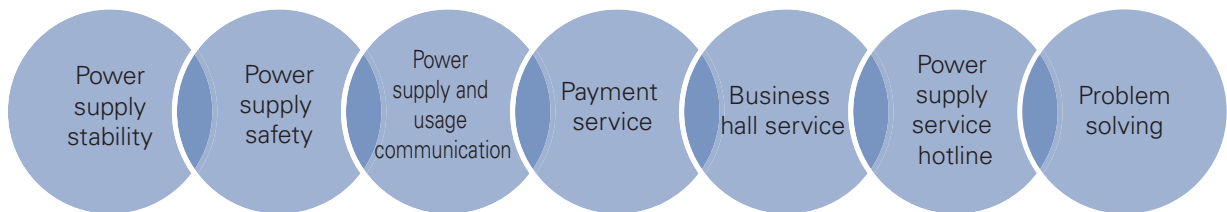
In order to strictly comply with the *Electric Power Law of the People's Republic of China* and the regulations relating to safe power supply and power grid management in the *Rules of Power Supply Business*, we have formulated internal policies such as *Safety Production Management Standards and Environmental and Safety Targets Management System* to regulate safe production management and continuously enhance the Group's power supply service quality. At the same time, we carry out measures such as technological transformation of old equipment, enhancement of power grid structure, strengthening of equipment maintenance, etc. in order to enhance the level of equipment safety, power supply reliability and quality to achieve power supply stability, voltage stability, and frequency stability. During the Reporting Period, the Group's comprehensive power grid's voltage qualified rate reached 99.89% and the power supply reliability rate reached 99.84%.

The Group strictly complies with the *Rules of Power Supply Business* and conduct power supply quality testing to ensure power supply service quality. The regulation clearly states the actual implementation procedures and assessment mechanism of power supply quality testing, including the power supply frequency discrepancy allowed under the normal operation of the electricity system, the assessment indicators of the power supply equipment maintenance plan, etc. During the power supply equipment maintenance plan, the frequency of power outage for supplying electricity of 35 kV or above to households should not exceed once per year; the frequency of power outage for supplying electricity of 10 kV or above to households should not exceed 3 times per year, so as to ensure that the power supply quality meets a certain standard.

6 OPERATIONAL COMPLIANCE

Customer Service

Customer satisfaction is the core of the Group's business development. On the basis of providing high-quality power services, we adhere to the customer-first service principle and maintain a good relationship with our customers. We fully understand the importance of effective communication in enhancing service quality and customer satisfaction, so we actively listen to customers' comments and suggestions and strive for continuous improvement. We have formulated the *Administrative Measures for the Reporting of Complaints about Power Supply Services (Trial)*, which stipulates that we should comply with the "Efficient, Flexible, Accurate" principle when handling complaints. The policy also regulates the division of work for the Group's departments on power supply service complaints, definition and classification of complaints, procedures for acceptance and handling, etc. The headquarters' Business Management Department and the Marketing Departments of various subsidiaries classify the complaints according to their content and nature, complete the complaint acceptance form and submit it to relevant departments for their handling. The relevant departments will complete the investigation within 5 working days and give feedbacks to the complainant. During the Reporting Period, we received 9 complaints from the customers and conducted investigation in a timely manner in accordance with the procedures stipulated in the *Administrative Measures for the Reporting of Complaints about Power Supply Services (Trial)*. Furthermore, we understand the level of customer satisfaction through various means such as door-to-door service, customer visits, satisfaction survey, etc. and continuously improve based on the valuable comments and suggestions given by customers. We invite customers to fill in the *Customer Questionnaire Survey* and the key assessment indicators of the survey are as follows.



During the Reporting Period, we obtained a total score of 97.24 points in the annual customer satisfaction survey.

The Group has always been highly concerned about customers' privacy protection. As the Group's business directly involves the privacy issues of a large number of end-users and individual users, we have established a sound network management and information safety system to strengthen the Group's information safety and client privacy protection. At the same time, we have formulated the *Marketing System Access Authority Management Specification and Network Security Management Measures*, which regulates information system's access management, including management principle, division of work, access application procedures, etc. Only authorized personnel can access customer data. In addition, the measure regulates different aspects of cybersecurity management. Information safety centre is responsible for the establishment and maintenance of the Group's network management and information safety system. The centre adopts various equipment and technology such as intrusion detection and vulnerability detection to regularly monitor and analyse the cybersecurity situation. When the centre detects network anomaly which severely affects business operation, it will report to the higher authorities immediately in accordance with the incident handling procedures to ensure that the network equipment operates safely and guarantee the information safety of the Group and our customers.

With regard to intellectual property right management, the Group strictly complies with *Copyright Law of the People's Republic of China*, *Patent Law of the People's Republic of China*, *Trademark Law of the People's Republic of China*, *Anti-Unfair Competition Law of the People's Republic of China* and other laws and regulations. At the same time, we have formulated internal intellectual property rights protection measures in accordance with the above laws and regulations. When cooperating with other corporations, both cooperating parties sign the *Confidentiality Agreement* to strengthen the protection of the commercial secrets and intellectual property. We have also issued the *Notice on the Establishment of a Software Authentication Working Group* to regulate the work responsibilities of using genuine software and ensure that the software systems used by the Group's production and office are purchased from certificated suppliers through legal and compliance processes. Furthermore, the Group fully understands the importance of using genuine software. We have formulated the genuine software procurement plan based on the Group's actual needs and the original intention of respecting intellectual property, enhancing the Group's information system safety to ensure operational safety and lower the risk of infringement.

In addition, the *Electric Power Law of the People's Republic of China* clearly stipulates the business scope and principle of power supply for each power supply corporate. Therefore, the Group has not carried out specialized advertising.

6 OPERATIONAL COMPLIANCE

6.2 RESPONSIBLE PROCUREMENT

As an electricity corporation which adopts a vertical integration mode of development, supply chain management spans through every aspect of corporate production and operation. It plays an important role in promoting corporate sustainable development. The Group has proactively practised green procurement and developed a responsible supply chain. We maintain a good strategic relationship with our suppliers, enjoy complementary advantages and promote the co-development of the Group and our supply chain partners.

The Group's suppliers mainly include State Grid Sichuan Electric Power Company Yibin Power Supply Company, Yunnan Power Grid Corporation Zhaotong Power Supply Bureau, grid-connected hydropower stations in the supply area and grid-connected hydropower stations outside the supply area. During the employment and assessment process of electricity suppliers, we strictly comply with the regulations in the *Electric Power Law of the People's Republic of China* and the *Environmental Protection Law of the People's Republic of China*. On the basis of considering assessment indicators such as power quality and power supply pricing, we take environmental protection as a necessary evaluation criterion and examine whether suppliers have any laws or regulations breaking records due to pollution of the ecological environment in the course of operation, as well as whether the products they provide meet the national environmental protection standards.

During the contract period, we request suppliers to provide products which meet the quality standard and environmental protection regulations. We also regularly carry out special environmental inspections and urge our partners to implement internal environmental protection systems and environmental management regulations. For suppliers who violate the systems or regulations, we strictly issue penalties and require them to carry out rectification within a time limit. Should there be any severe case, we may request the suppliers to suspend work or terminate the contract.

During the Reporting Period, a total of 224 power procurement suppliers adhere to the above procurement management policies. The number of power procurement suppliers of the Group by region of service provision is as follows¹:

Cuiping District	Xuzhou District	Gao County	Gong County	Junlian County	Xingwen County	Pingshan County
20	20	20	48	78	52	11

6.3 ANTI-CORRUPTION AND INTEGRITY

During the Reporting Period, the Group has strictly complied with the following laws and regulations that have a significant impact on the Group, relating to the prevention of bribery, extortion, fraud and money laundering (including but not limited to):

Criminal Law of the People's Republic of China
Anti-Money Laundering Law of the People's Republic of China

In order to strengthen the Group's work in improving the Party's style of work, building a corruption-free government and preventing fraud and bribery, we have formulated various internal management policies, such as *Anti-fraud and Bribery Management Measures*, *Evaluation of the Implementation of Responsibility System for Improving the Party's Style of Work and Upholding Integrity*, *the Interim Measures for the Implementation of the Responsibility System for Improving the Party's Style of Work and Upholding Integrity*, *Opinions on the implementation of an Integrity culture*, etc. *Anti-fraud and Bribery Management Measures* clearly outlines the Group's definition and classification of fraud and bribery behaviour, regulates the departmental division of work on anti-fraud and anti-bribery work, management measures, etc. to strengthen the corruption-free corporate culture and protect the Group's legal rights.

¹ The same supplier may be counted in different regions.

6 OPERATIONAL COMPLIANCE

The Group integrates anti-fraud and anti-bribery work into our daily management and internal control activities, actively assessing the risk of fraud and bribery and gradually establishing a corresponding monitoring mechanism. At the same time, we organize education and trainings on relevant laws and regulations, as well as promotion on anti-fraud and anti-bribery prevention. We also strengthen monitoring work and punishment for fraud and bribery, enhancing the Group's overall integrity compliance management capacity. The Group has formulated the *Whistle-blowing Management System, Measures for Handling Whistle-blowing Letters and Visits and Administrative Measures for Discipline Inspection and Supervision of Case Files* to standardize the management of whistle-blowing. Whistle-blowers may report violations of laws and disciplines to the Group through various channels such as letters, telephones, emails, and visits. Discipline and Inspection Office is the main department which is responsible for whistle-blowing management. After receiving a report, the department will register the accepted reporting case and submit it to management for approval. For cases which the senior management requests for reporting the investigation result, the department should handle and report the case within the designated timeframe and explain to the whistle-blower after the case is closed. If the case is not investigated, a valid explanation must be given to the whistle-blower. The processing status of all reporting cases is recorded in the Report Registration Form. During the Reporting Period, the Group has not received any litigation relating to corruption or bribery.



In August 2020, with the theme of "Keeping the Bottom Line with Ringing Alarm Bells; Promoting Development with Diligence and Honesty", Sichuan Energy Investment Development organized in various forms and with rich content, the promotion and education month activity of the Party's style of work and corruption-free government building, striving to establish a corruption-free corporate culture. The training combined with typical cases of crime, explained in detail the importance of the work on the Party's style of work and clean government building, and further strengthened employees' awareness of integrity and self-discipline.

7 CARE FOR EMPLOYEES

The Group has always treated employees as a valuable asset for promoting steady corporate development. We adhere to the people-oriented principle and maintain good employment management, effectively protecting the rights and interests of employees and their physical and mental health. We also provide employees with high quality trainings and diverse development opportunities, encouraging them to continue learning and actualize their own value to achieve a win-win situation for the Group and its employees.

This chapter focuses on the following material ESG topics that stakeholders are concerned about

Health and safety

Employment and employee welfare

Employee development and training

7.1 EMPLOYMENT MANAGEMENT

During the Reporting Period, the Group has strictly complied with the following laws and regulations that have a significant impact on the Group, relating to the compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare (including but not limited to):

Labour Law of the People's Republic of China
Labour Contract Law of the People's Republic of China
Social Insurance Law of the People's Republic of China
Law of the People's Republic of China on the Protection of Minors
Provisions on the Prohibition of Using Child Labour

On the basis of the above laws and regulations relating to employment, we have formulated the *Measures for the Headquarters' Management of the Compensation of Sichuan Energy Investment Development Co., Ltd.(2020 Edition)*, the *Administrative Measures for the Employment of Sichuan Energy Investment Development Co., Ltd.*, the *Interim Measures for the Management of Vacation and Attendance of Employees of the Headquarters of Sichuan Energy Investment Development Co., Ltd.*, *Headquarters' Employees' Handbook of Sichuan Energy Investment Development Co., Ltd.* and other internal regulations to regulate the management of matters such as recruitment and dismissal, compensation and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination, and employee benefits. During the Reporting Period, we have not received any cases of violation of the above laws and regulations relating to employment.

Recruitment and Dismissal

To regulate the employment management of the Group's employees, we have formulated the *Administrative Measures for the Employment of Sichuan Energy Investment Development Co., Ltd.*, which outlines the principle of "Prioritizing Internal Recruitment, Open and Fair, Competitiveness and Excellency Oriented, Valuing both Integrity and Talents with Integrity more Emphasized" we adhere to during recruitment. The Group's subsidiaries formulate relevant implementation rules based on this recruitment principle and their own conditions, which can be implemented after reviewed by the headquarters.

The Group's Human Resources Department is the employment management unit, which is responsible for formulating and implementing the Group's annual human resources recruitment plan, as well as overseeing the implementation of the annual recruitment plan of each subsidiary. In every December, the Human Resources Department asks each department of the headquarters and its subsidiaries to complete the *Employment Plan Demand Form* and formulate the recruitment plan for the following year accordingly. The forms of recruitment can be classified into open recruitment, internal selection and external transfer, among which the assessment of open recruitment includes written test, interview, psychological assessment, background investigation, medical examination, etc. The Human Resources Department assesses the overall performance of the candidates in all aspects, prepares a comprehensive report and submits employment recommendations to the Group's management for approval.

7 CARE FOR EMPLOYEES

The recruitment principle in the *Administrative Measures for the Employment of Sichuan Energy Investment Development Co., Ltd.* stipulates that employees employed by the Group must have reached the legal age of employment and child labour is to be eliminated through verification of identification proof during eligibility checks and background checks. If any applicant is found to have provided false personal information, the Group will not hire them.

The Administrative Measures for the Employment of Sichuan Energy Investment Development Co., Ltd. also stipulates the specific procedures for the termination of employment or dismissal of the Group's employees and the conditions for employees' termination of employment. Both the Group and the employees must inform the decision of termination or dismissal in advance in written form and the employee will be issued with a certificate of termination of employment or dismissal after completing the relevant documents and handing over the work in accordance with the regulations. The implementation of the above measures can ensure that the rights and interests of both the Group and its employees are protected.

As of 31 December, 2020, the Group had a total of 3,006 employees. The statistics on the number of employees by gender, age group, employment type and geographical region, as well as the employee turnover rate during the Reporting Period are as follows:

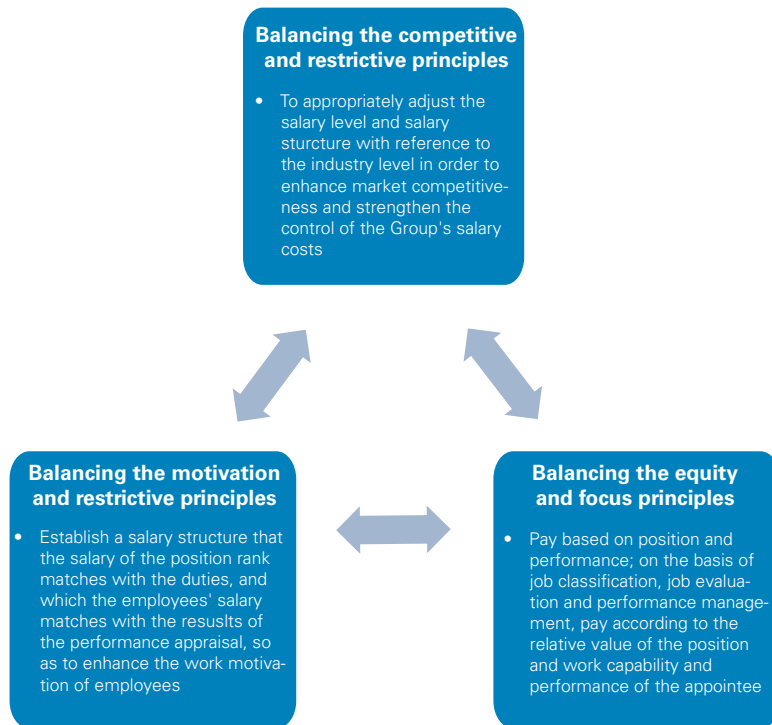
Category		Number of Employees (persons)	Employee Turnover Rate ² (%)
Gender	Male	2,282	2.98%
	Female	724	8.29%
Age Group	Below 35 years old	520	2.69%
	35-50 years old	1,670	2.75%
	Above 50 years old	816	8.33%
Employment Type	Full-time contract employees	2,933	–
	Labour dispatch employees	73	–
Geographical Region	Chengdu, Sichuan Province	83	4.82%
	Yibin, Sichuan Province	2,888	4.22%
	Zhaotong, Yunan Province	35	5.71%

² The employee turnover rate is calculated by dividing the number of employees lost in that category during the Reporting Period by the total number of employees in that category as of the end of the Reporting Period.

7 CARE FOR EMPLOYEES

Compensation and Promotion

In order to strengthen the regulation of the compensation management of the headquarters' employees, motivate them and improve the overall production efficiency, we have revised the *Measures for the Headquarters' Management of the Compensation of Sichuan Energy Investment Development Co., Ltd. (2020 Edition)* during the Reporting Period. The Measures clarifies a series of issues relating to compensation management, including the departmental division of work, ranking system, compensation structure, calculation and distribution of compensation, and other management regulations. The three basic principles of the Group's compensation management are as follows.



In terms of rank management, we have formulated the *Rank Management Regulations (Provisional) of Sichuan Energy Investment Development Co., Ltd.* based on the principle of "Efficiency-first, Dynamic Management" to further standardize the management of the Group's ranking system and broaden the career development and career advancement pathways for employees, promoting the co-development of the corporation and the employees.

Working Hours and Holidays

In order to protect the basic rights of employees to enjoy adequate rest and leave, we have formulated the *Interim Measures for the Management of Vacation and Attendance of Employees of the Headquarters of Sichuan Energy Investment Development Co., Ltd.* and required subsidiaries to formulate their own management policies with reference to the Measures. The Measures stipulates that the daily working hours of employees are 7 hours and specifies the various types of holidays and the corresponding compensation packages to which they are entitled, as well as the approval procedures for taking leave. The leave entitlements of employees include statutory holidays, public holidays, sick leave, marriage leave, maternity leave, work injury leave, etc.

Each department of the Group assigns an attendance clerk to be responsible for all employees' attendance. The Human Resources Department, the Office and the Discipline and Inspection Department will conduct spot checks on the attendance of each department on an irregular basis to eliminate all forms of forced labour. Once forced labour is found, we will immediately stop the related illegal acts and deal with the personnel involved in accordance with the relevant system of the Group.

7 CARE FOR EMPLOYEES

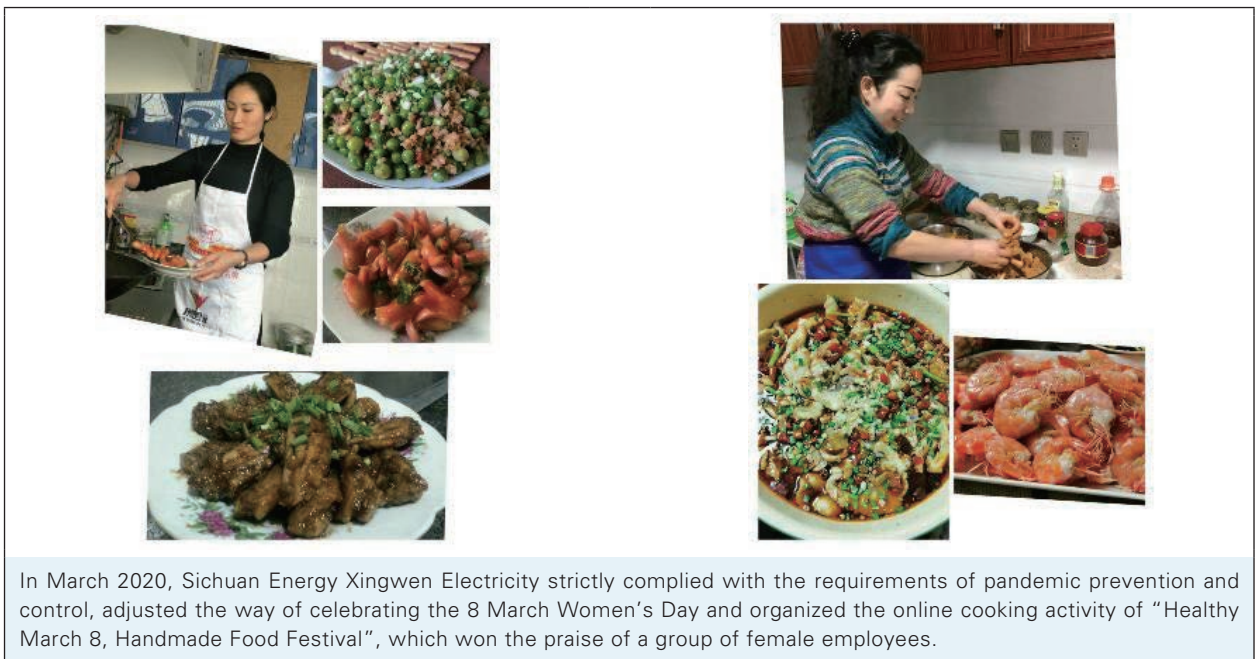
Equal Opportunity, Diversity and Anti-discrimination

We have always pursued an equal and diversified employee management policy, providing equal recruitment and promotion opportunities for people of all ages, genders, races, ethnicities, religious beliefs or physical disabilities. During recruitment, we uphold the principle of “Open and Fair, Competitiveness and Excellency Oriented” and only evaluate candidates’ professional knowledge, comprehensive quality, professional competence and their compatibility with the Group’s value system. In the distribution of compensation and ranks, we determine the salaries and ranks of our employees based on their ability to perform their duties and level of contributions to ensure that the principle of fairness in compensation management is fulfilled.

Employee Welfare and Benefits

During the Reporting Period, we strictly comply with the *Social Insurance Law of the People’s Republic of China* to protect the legal rights and interests of our employees to enjoy social insurance benefits. The social insurance system covers basic endowment insurance, basic medical insurance, unemployment insurance, maternity insurance, etc., protecting the rights of employees to receive assistance from the country and society in case of old age, illness, unemployment and maternity, etc.

Furthermore, the Group launched a series of diversified caring activities for employees, including festive greetings, pandemic greetings, 8 March Women’s Day activities and caring activities for employees’ children, etc., to protect the physical and mental health of employees and enhance their sense of belonging and happiness.



7 CARE FOR EMPLOYEES



On 1 June, 2020, Sichuan Energy Yangliutan Power Generation launched a caring activity for employees' children with the theme of "Recording Moments of Life" to promote communication between parents and children, as well as to strengthen the ties between the enterprise and employees and their families, enhancing the understanding and support of employees' families to the enterprise, thereby further strengthening the centripetal force and cohesion of the enterprise.



During the Reporting Period, Sichuan Energy Junlian Electricity, Sichuan Energy Gao County Electricity and Sichuan Energy Gong County Electricity organized caring activities for the front-line staff who remained at their positions during the COVID-19 pandemic, distributed the pandemic prevention materials to the staff in time, and urged the subsidiaries to implement pandemic prevention measures such as temperature measurement and disinfection for the staff and family members, so as to effectively protect the health of the staff and promote the pandemic prevention and electricity protection work of the subsidiaries.

7.2 EMPLOYEES' SAFETY

The Group upholds the safety management principle of "Prevention-oriented, Prevention-control Integration". We have formulated a comprehensive safety management system, implemented a series of occupational health and safety management measures for employees and launched various safety training. We are committed to providing a healthy and safe working environment for our employees to avoid work-related injuries or occupational diseases.

During the Reporting Period, the Group has strictly complied with the following laws and regulations that have a significant impact on the Group, relating to providing a safe working environment and protecting employees from occupational hazards (including but not limited to):

Work Safety Law of the People's Republic of China

Labour Law of the People's Republic of China

Law of the People's Republic of China on the Prevention and Control of Occupational Diseases

Regulations of Sichuan Province on Production Safety

Regulation on Work-Related Injury Insurance

Safety Management System

In order to protect the health and safety of employees during production, the Group has formulated and implemented the *Occupational Health Management System of Sichuan Energy Investment Development Co., Ltd.*, the *Work Injury Insurance Management System of Sichuan Energy Investment Development Co., Ltd.*, *Regulations of Electricity Safety Equipment Management of Sichuan Energy Investment Development Co., Ltd.* and other policies based on the above laws and regulations relating to occupational health and safety and the Group's *Safe Production Management Standard*, to regulate the management of the Group in the areas of occupational disease hazards, work injury insurance and the use of electrical safety equipment. In addition, we sign the *Annual Safety Production Target Responsibility Letter* with each functional department of the headquarters and our subsidiaries, as well as require each subsidiary to sign the Letter with their functional departments and general level stations to ensure that each operating unit clearly understands its position in the Group's safety production system and its responsibility for safety production.

On the basis of a sound management system, we have implemented the following occupational health and safety management measures at the Group level (including but not limited to):

Deployment of management staff

- For units facing a higher risk of severe occupational disease hazards, there should be a safety management staff working part-time for occupational health management. The staff should be equipped with occupational health knowledge and management capabilities corresponding to the production and business activities the unit is engaged in, receive occupational health training and should have obtained the appropriate qualifications before taking up the post.

Safety equipment management

- Electrical safety equipment should be in the power safety work equipment manufacturers qualified product list published by the power industry power safety work equipment quality supervision, inspection and testing centre; Select the more commonly used products.
- It is strictly prohibited to select, purchase and use electrical safety work equipment with "3 Nos" (no manufacturer's logo, no product license, no product certification).

7 CARE FOR EMPLOYEES

Occupational health assessment for construction works

- For some construction works, technological upgrade and technology introduction projects that might cause some occupational disease hazards, pre-evaluation of occupational disease hazards should be conducted in the stage of feasibility study to assess the factors which might cause occupational disease hazards and their impact on workplace safety and the health of workers, as well as to determine the type of hazards and occupational disease protection measures.

Occupational health knowledge training

- Subsidiaries should provide on-board and on-the-job occupational health knowledge training to employees. The training includes occupational hazards identification, consequences of occupational hazards, self-protection methods and occupational hazard reporting methods.

Occupational health checks

- Subsidiaries should organize annual medical checkups for their employees regularly. The occupational health checkups should be undertaken by medical and health institutions that have obtained the *Medical Institution Practice Permit* and the cost of the occupational health checkups should be borne by the subsidiaries.

Safety Training

In order to enhance the health and safety of employees in the production process, the Group has established an occupational health and safety training system and incorporated safety training into the annual safety work highlights. The Group formulates an annual safety training plan and its subsidiaries launches a series of employee safety training accordingly, including safety training for all employees, 3-level safety training for new employees and “Three Types of People” training for power production. We evaluate the training progress on a regular basis to ensure that the training is carried out effectively. During the Reporting Period, the Group held two safety training sessions with a total of over 3,000 person-times.



During the Reporting Period, Sichuan Energy Investment Development guided its subsidiaries to conduct “Three Types of People” training for power production in the form of combining self-learning and online examinations, in order to improve employees’ knowledge of safe production. The training can be mainly divided into substation and circuit safety regulations.

7 CARE FOR EMPLOYEES



On 4 November, 2020, the second phase of 2020 (Yibin area) safety management staff training organized by Sichuan Energy Industry Investment Group Co. Ltd. and Sichuan Energy Investment Development was held in Yibin City, Xuzhou District. A total of more than 260 people attended the training, including the main person-in-charge of each subsidiary, the head of the Production Department, the Safety Supervision Department and the safety management staff of general level stations. The training covered professional courses and skill enhancement courses, which strengthened the comprehensive quality and competency of the Group's safety management staff, as well as improved their safety awareness in the production process, and comprehensively enhanced the safety management level, laying a solid foundation for safe production work in 2020.



During the Reporting Period, the subsidiaries of Sichuan Energy Investment Development conducted their own fire drills to improve their employees' ability to respond to emergencies.

7 CARE FOR EMPLOYEES

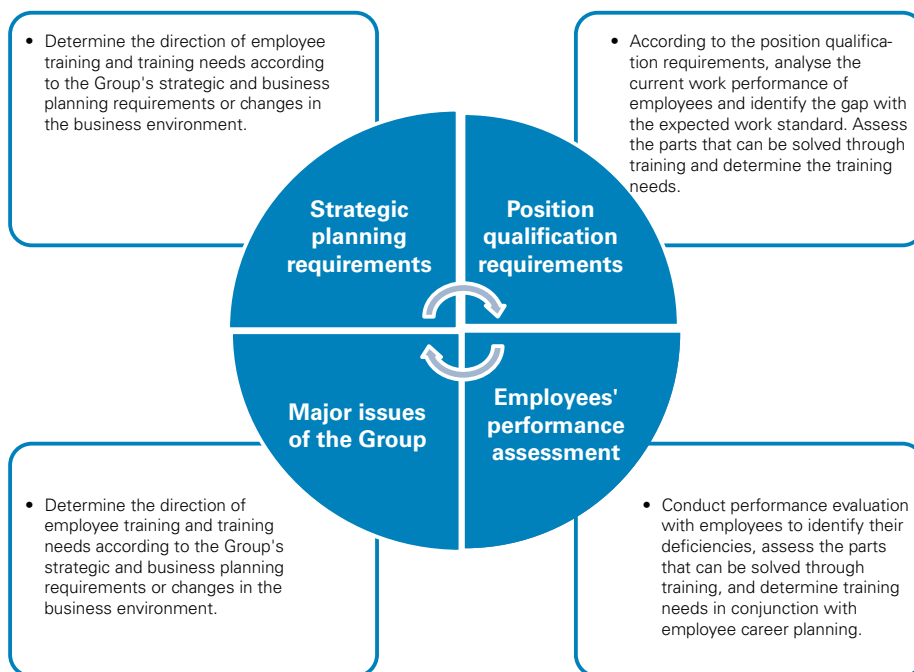
7.3 TALENT DEVELOPMENT

The Group believes that employee training plays an important role in promoting corporate development. Therefore, we have established a comprehensive and orderly talent training system to provide a wide range of training for our employees to enhance their overall quality and professional skills, thus promoting the synergy between employees and the enterprise.

Training Policies

In order to strengthen the Group's talent team building, enhance employees' knowledge and skills, establish a learning enterprise and enhance the Group's core competitiveness, we have formulated and implemented the *Measures for the Administration of Training of Sichuan Energy Investment Development Co., Ltd. and Interim Measures for the Temporary Position Training of Sichuan Energy Investment Development Co., Ltd.* to standardize the management of the Group's education and training. The *Measures for the Administration of Training of Sichuan Energy Investment Development Co., Ltd.* clarifies the principle of "People-oriented, Servicing Strategy, Centralized Management, Hierarchical Implementation" for the Group's training, and regulates the management of training forms and levels, training plans and effectiveness evaluation.

The Group's Human Resources Department conducts an analysis of the Group's strategy and strategic human resources planning in October each year. Through conducting interviews with the Group's senior management, department heads and Human Resources Departments of subsidiaries, and requesting each subsidiary to fill in the *Annual Training Needs Form*, we formulate training plans for the following year. The four major considerations for the Group's training needs analysis are as follows:



Each department of the headquarters and each subsidiary will formulate their own training implementation plan according to the training plan. After the training, we request the participants to complete the *Training Effectiveness Evaluation Form*. Departments which organize trainings can also evaluate the training effectiveness through written tests, group discussions, and knowledge sharing, etc., complete the *Training Effectiveness Evaluation Summary Form* and report it to the Human Resources Department of its affiliated subsidiary.

7 CARE FOR EMPLOYEES

On the basis of organizing general employee training, we adopt the “Upward and Downward Assignment” mode of talent training. This mode of training refers to the exchange and temporary position training of key personnel selected by the organization between the headquarters and subsidiaries, and among subsidiaries, without changing the labour relations of the original units. We have formulated the *Interim Measures for the Management of Upward and Downward Assignment of Sichuan Energy Investment Development Co., Ltd.* which stipulates the principles of “Cultivation and Training, Comprehensive Development, Business Counterparts, Work Needs” for upward and downward assignment of training, as well as regulates the conditions, work procedures and management of the personnel for upward and downward assignment of training, so as to ensure the effective implementation of the training system.

During the Reporting Period, the statistics of the Group’s employee training are as follows:

Category		Percentage of Employees Trained ³	Average Training Hours Completed per Employee ⁴ (Hours/Person)
Gender	Male	75.91%	79.43
	Female	24.09%	98.23
Employee Category	Senior Management	2.36%	81.08
	Middle Management	11.64%	163.90
	General Employees	86.00%	79.14

Training Activities

In order to comprehensively enhance the business skills of our employees and contribute to the quality development of the Group, the Group organized various types of employee training during the Reporting Period, including “Three Basics” training and tests, business and finance integration training, “Four Grasps and Four Upgrades” professional skills training, etc., which laid a solid foundation for the cultivation of an excellent talent team.

To meet the requirements of pandemic prevention and control, the Group actively launched a series of informative online training through various platforms to realize the innovative learning mode of “Everyone Can Learn, Learning Anytime, Learning Anywhere” to ensure that employees can continue to enhance their professional knowledge and skills during the pandemic and be well prepared for the resumption of work and production in the future. The headquarters has collaborated with Quantum University to develop the “Fight the Pandemic at Full Strength, Empower Your Organization” specialized learning zone to actively encourage employees to participate in the 46 online training courses on improving their organizational capacity, innovation and leadership. As of the end of the Reporting Period, a total of 596 employees of the headquarters and subsidiaries participated in the online training, with a total of 38,768.93 hours of learning.

³ The percentage of employees trained is calculated by: the number of employees trained in a certain category divided by total number of employees trained.

⁴ The average training hours completed per employee is calculated by: the total number of training hours of employees in a certain category divided by the total number of employees in that category.

7 CARE FOR EMPLOYEES



On 16 March, 2020, Sichuan Energy Pingshan Electricity actively participated in the RuthOut HR Chief Joint Lecture online live class led by the Human Resources Department of the headquarters of Sichuan Energy Investment Development. During the training, we invited different industry professionals and professors from well-known universities to give lectures to our employees for 20 consecutive days, explaining and discussing the best practices of human resources management in outstanding enterprises.



On 20 May, 2020, the Group organized a video training on "Business and Financial Integrative Mindset under Corporate Value Creation Orientation" to further enhance the business and financial management capabilities of corporate staff in order to meet the needs of the Group's quality development. A total of over 400 participants, including leaders and management staff of the Group, attended the training.

7 CARE FOR EMPLOYEES



In December 2020, Sichuan Energy Investment Development coordinated its subsidiaries to conduct the “Three Basics” training test which was an integration of theory and practice. The “Three Basics” test covered seven assessment criteria, including substation and operation management, meter reading and maintenance, metering management, and circuit operation and maintenance, etc. More than 1,200 employees of the Group participated in the test. The training test developed a good learning atmosphere of “Promoting Learning through Examinations and Promoting Application through Learning”, with the aim of “Strengthening Front-line Safety Awareness and Enhancing Professional Quality of the General Level”, promoting the standardization of the Group’s vocational skills, reducing the safety risks of production operations, and cultivating a team of highly skilled and qualified technical personnel to promote the Group’s high quality development.

8 GREEN OPERATION

While promoting its business development, the Group has not forgotten to actively fulfil its social responsibility of protecting the environment. Through continuously improving its environmental management system and implementing various energy-saving and environmental protection measures at the Group level, we strive to achieve a harmonious integration between the enterprise and the environment.

This chapter focuses on the following material ESG topics that stakeholders are concerned about

Use of energy and efficiency

Use of water resources and efficiency

Potential impacts of the environment and natural resources on the company

8.1 ENVIRONMENTAL PROTECTION MANAGEMENT

In order to strengthen the Group's environmental protection management, we have formulated and revised a series of management policies in accordance with the relevant national laws and regulations on environmental protection to regulate the management of environmental protection objectives, investigation and management of potential environmental hazards, expenses invested in environmental protection, environmental protection inspections, rewards and penalties for environmental performance. During the Reporting Period, the main internal environmental management policies implemented by the Group are as follows (including but not limited to):

- *Safety and Environmental Protection Target Management System of Sichuan Energy Investment Development Co., Ltd.*
- *Management Measures of Safety and Environmental Protection Awards and Punishments of Sichuan Energy Investment Development Co., Ltd.*
- *Environmental Protection Investment Guarantee System of Sichuan Energy Investment Development Co., Ltd.*
- *Environmental Protection and Safety Inspection System of Sichuan Energy Investment Development Co., Ltd.*
- *Investigation and Treatment system for Potential Hazards of Environmental Protection and Safety Incidents of Sichuan Energy Investment Development Co., Ltd.*
- *Environmental Protection Management System of Sichuan Energy Investment Development Co., Ltd.*

In addition to identifying and mitigating the impact of the Group's own operations on the natural environment, we also attach great importance to managing the risks arising from extreme environmental factors. The Group's main business area is located at the hilly area in the southeast of the Sichuan Basin in the PRC, where frequent extreme weather events such as earthquakes, geological disasters and floods may directly damage the Group's assets and hinder the Group's normal operations. In order to cope with such risks, we have regularly carried out potential hazard investigation and management to ensure the adequate supply of emergency supplies and equipment. At the same time, we have also enhanced employees' emergency responding capability to respond to emergency, improving the overall emergency management level of the Group. During the Reporting Period, the Group has been in close contact with the Yibin Meteorological Bureau, paying attention to weather changes and overall climate changes 24 hours a day, and formulating specific plans and measures to predict changes in grid load from a scientific perspective and make timely adjustments to ensure safe and stable operation of the power grid.

8 GREEN OPERATION

The main business of the Group is hydroelectric power generation. Therefore, our main impact on the environment and natural resources is the impact on the biodiversity of fish in the upstream and downstream of the river due to the water intake of the power station. In order to manage the related impacts, we have prepared an ecological flow release plan based on the ecological water demand of the river downstream of the dam site in terms of aquatic ecology, water environment and landscape, combined with hydraulic and hydrological methods, and in accordance with the technical specifications of ecological flow design and relevant provisions. In addition, we have also determined the ecological flow release facilities and safeguard measures during the water storage and operation periods. During the spawning season of fish in the national and local key protection, rare and endangered, or unique aquatic habitat in the developed area, we further increase the ecological flow after confirming the need; we strictly enforce the provisions of the reservoir regulation operation plan and conduct ecological regulation with reference to the minimum ecological flow of the power station. When the natural flow rate is less than the minimum ecological flow rate, the ecological flow rate of the power station will be devolved according to the actual natural flow rate at the dam site. When implementing the ecological flow release, we prioritize the use of dedicated release facilities and synchronize the design, construction and operation with the main project to ensure safe, reliable and flexible operation of the facilities.

During the Reporting Period, we organized various environmental protection activities, including front pool dredging, fish propagation and release, garbage removal, etc., to enhance the environmental awareness and motivation of employees.



During the Reporting Period, Yanliutan organized the annual fish propagation and release activity in the hydropower station to enhance the biodiversity of the waters.

8 GREEN OPERATION



During the Reporting Period, the Group organized employees to participate in the river garbage removal activity to improve the water quality of the river.

8.2 ENERGY CONSERVATION AND EMISSION REDUCTION

Resource Conservation

The main resources used by the Group during daily operations are water withdrawal for power generation, power loss during power transmission and distribution and vehicle fuel consumption.

The Group's power generation business is hydropower generation, which is a form of clean energy generation. The Group's water withdrawal for its power generation business is mainly from natural water in the Nanguang River Basin, Hengjiang River Basin and Songjiang River Basin. We use the potential energy formed by the water level drop to drive the hydro-generator to generate electricity. Natural water is discharged to downstream basins after power generation, and the process of power generation basically does not pollute the water resources used. The water for the Group's office and domestic use comes from the municipal water supply network and suppliers. The Group had no difficulty in obtaining water for its power generation business, office and domestic use.

8 GREEN OPERATION

In order to enhance water and electricity conservation in our power generation business and to improve the efficiency of the use of hydroelectric energy, the Group has established the "Integrated Energy Division" and has been formulating and implementing a series of energy conservation measures to manage the Group's resources in a more refined manner. Some of the major measures are as follows:

- Evaluate and assess the "rate of water consumption per kWh electricity" of each power station to urge them to conserve water resources
- Require power stations to analyse and manage the natural water situation well and assess the water analysis work
- Strictly control the self-consumption rate of power stations to reduce resource consumption
- Clean the fouling grids on a regular basis and in a timely manner to improve the utilization of hydropower and increase the efficiency of the generating units
- Strengthen technical transformation, improve the power grid structure, and enhance supervision and metering management to reduce power loss during transmission

During the Reporting Period, our assessment standard of the "rate of water consumption per kWh electricity" not exceeding 27.5 m³/kWh has been met. Furthermore, our self-use electricity accounted for 0.91% of power generation, with an increase of 0.02% compared to 2019. The power loss during power transmission was 7.49%, a decrease of 0.41% compared to 2019.

For green office, we have formulated internal management policies and measures in the areas of the use of electricity and water in office, office supplies and office vehicles to accelerate the construction of an energy-saving enterprise. Some of the energy-saving measures are as follows:

- Formulate *Vehicle Management Regulations* for office vehicles to standardize the management of office vehicles
- Reinforce regular vehicle maintenance to reduce vehicle damage and ensure efficient vehicle operation
- Actively adopt remote working to reduce unnecessary on-site investigation and inspection
- Put up "Water Conservation" signs in pantries and toilets to enhance employees' awareness of water conservation
- Use water-saving appliances and manage all water-using equipment
- Formulate *Office Supplies Management Regulations* to regulate the equipment, procurement and use of office supplies
- Promote a paperless office to reduce the consumption of office supplies

8 GREEN OPERATION

During the Reporting Period, on the basis of ensuring normal office operation, the Group has reduced the overall office energy consumption through the above green office measures, ensuring that the fuel consumption of vehicles is reasonable and controllable, and that there is no phenomenon of “running and dripping” and direct rinsing of mop and vehicles with tap water.

Emissions Management

The Group insists on fulfilling its environmental protection responsibilities and has formulated and implemented *the Environmental Protection Management System of Sichuan Energy Investment Development Co., Ltd.* in accordance with the relevant national laws and regulations on environmental protection to strictly regulate the discharge of pollutants in the production and construction process, protecting the health of employees and the public, and promoting the sustainable development of the Group.

During the Reporting Period, the Group has strictly complied with the following laws and regulations that have a significant impact on the Group, relating to emissions (including but not limited to):

Environmental Protection Law of the People’s Republic of China
Water Pollution Prevention and Control Law of the People’s Republic of China
Atmospheric Pollution Prevention and Control Law of the People’s Republic of China
Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes
Law of the People’s Republic of China on Promoting Clean Production
Law of the People’s Republic of China on Environmental Impact Assessment

The major emissions from the Group’s daily operations come from exhaust emissions from office vehicles, indirect greenhouse gas emissions from electricity consumption and loss, as well as office and domestic sewage, domestic waste and a small amount of oily waste from inspection and maintenance operations.

In order to reduce the Group’s emissions of air pollutants and greenhouse gases, the Group and its subsidiaries have formulated relevant energy-saving and emission reduction policies in accordance with their own operating locations and business characteristics. For example, Sichuan Energy Gao County Electricity has formulated the Energy Conservation Management Regulations, which explains a series of measures for the management of vehicle fuel consumption and electricity consumption in offices, in order to promote energy conservation and emission reduction. To address the indirect greenhouse gas emissions caused by electricity consumption, we have actively taken numerous measures, including gradually switching to more energy-efficient transformers, renovating old low-voltage distribution circuit, and appropriately adjusting the operating voltage of the power grid, as well as reducing power loss during electricity transmission and distribution through equipment and technical transformation⁵, thereby reducing the corresponding greenhouse gas emissions. Sulfur hexafluoride is used in the production and operation of the Group. We use high quality circuit breakers and have never had any leakage of sulfur hexafluoride.

When the circuit breaker reaches its designated lifetime, we will dispose it. We strictly manage the use, storage and custody of circuit breakers in accordance with the requirements for the management of hazardous chemicals, and we have signed agreements with units with hazardous waste disposal qualifications and entrusted them with the disposal of hazardous waste. During the Reporting Period, we did not generate any sulfur hexafluoride waste. For the small amount of waste oil generated during the maintenance of some of our equipment, we will collect and transfer it to the hazardous waste unit for treatment.

⁵ For specific management measures, please refer to the “Resource Conservation” section.

8 GREEN OPERATION

Domestic sewage generated by the Group's operating locations in the urban area is discharged into the municipal sewerage network, while office and domestic waste are handed over to the municipal authorities for treatment. In addition to the management of vehicle fuel consumption and office electricity, the *Energy Conservation Management Regulations* formulated by Sichuan Energy Gao County Electricity also regulates the use of office water and office supplies, such as setting the collection benchmark based on the usage records of office supplies, promoting the use of paper on both sides and using recycled water for internal green space irrigation, in order to reduce the production of office waste and domestic sewage. During the Reporting Period, the above energy saving measures have achieved certain results, further reducing the consumption of various resources, lowering the Group's office expenses and enhancing the employees' awareness of environmental protection.

8.3 ENVIRONMENTAL PERFORMANCES

During the Reporting Period, we calculated the environmental data relating to the emissions and use of resources during our own business operations. The relevant statistics are as follows:

Air Pollutant ⁶			
Type	Emissions in 2020	Emissions in 2019	Units
NO _x	3,176.56	3,845.89	kg
SO _x	6.93	7.94	kg
PM	119.17	133.44	kg
CO	5,147.01	6,080.62	kg

Greenhouse Gas ⁷			
	Emissions in 2020	Emissions in 2019	Units
Scope 1 ⁸	1,055.41	1,240.90	tonnes CO ₂ eq
Scope 2 ⁹	97,748.97	88,045.46	tonnes CO ₂
Total	98,804.38	89,286.36	tonnes CO ₂ eq
Intensity	0.03	0.03	tonnes CO ₂ eq/MWh electricity sales ¹⁰
CO ₂ emission reduction from self-generated power	366,066.10	508,100.00	tonnes CO ₂

⁶ The emissions of air pollutants are derived from the exhaust emissions of the vehicles owned and controlled by the Group within the scope of the Report. The specific emission data is calculated with reference to the *Technical Guide for the Preparation of Air Pollutant Emission Inventory for Road Vehicles (Trial)* issued by the Ministry of Ecology and Environment of the People's Republic of China.

⁷ Greenhouse gas emissions are derived from the exhaust emissions of vehicles owned and controlled by the Group within the scope of the Report, as well as indirect emissions from purchased electricity for office and production use and power loss during transmission and distribution.

⁸ Scope 1 greenhouse gas emissions data is calculated with reference to the *Guidelines for Accounting and Reporting of Greenhouse Gas Emissions from Land Transport Companies (Trial)* issued by the Ministry of Ecology and Environment of the People's Republic of China.

⁹ The calculation reference standard of Scope 2 greenhouse gas emissions has been updated and the emissions in 2019 have been revised with reference to the new standard. Scope 2 greenhouse gas emissions in 2020 and 2019 are calculated with reference to the *Notice Regarding Implementing 2018 Carbon Emissions Reporting and Verification and Formulating Carbon Emissions Monitoring Program* issued by the Ministry of Ecology and Environment of the People's Republic of China.

¹⁰ During the Reporting Period, the Group sold 3,928,688 MWh of electricity.

8 GREEN OPERATION

Waste and Wastewater				
Hazardous Waste Types	Generation in 2020	Generation in 2019	Units	
Waste mineral oil and mineral oil-containing waste	0.30	6.37	tonnes	
Total	0.30	6.37	tonnes	
Intensity	0.08	1.83	g/MWh electricity sales	
Non-hazardous Waste Types	Generation in 2020	Generation in 2019	Units	
Office and domestic waste	19.62	48.19	tonnes	
Waste salvaged from the waters upstream of the dam	70.00	70.00	tonnes	
Total	89.62	118.19	tonnes	
Intensity	22.81	34.01	g/MWh electricity sales	
Wastewater	Emissions in 2020	Emissions in 2019	Units	
Office and domestic wastewater	40,850.00	44,565.00	tonnes	
Intensity	13.59	14.63	tonnes/person	
Resource Consumption				
Type	Consumption in 2020	Consumption in 2019	Units	
Total energy consumption ¹¹	328,592.69	308,261.45	MWh	
Energy consumption intensity	0.08	0.09	MWh/MWh electricity sales	
Office and domestic water consumption	40,538.00	48,993.50	tonnes	
Intensity	13.49	16.08	tonnes/person	
Water withdrew for power generation	8,125,943,953.00 ¹²	15,952,863,199.74	tonnes	
Intensity	13.54	27.01	tonnes/kWh electricity generation ¹³	
Office and production electricity consumption	324,455,324.61	303,523,668.97	kWh	
Intensity	0.08	0.09	kWh/kWh electricity sales	
Gasoline	339,064.98	387,365.69	L	
Intensity	0.09	0.11	L/MWh electricity sales	
Diesel	113,749.93	131,092.76	L	
Intensity	0.03	0.04	L/MWh electricity sales	

¹¹ Total energy consumption is calculated with reference to the Guideline of the Greenhouse Gas Emissions Accounting and Reporting for the Chinese Power Generation Enterprise (Trial) issued by the National Development and Reform Commission of the People's Republic of China.

¹² Except Sichuan Energy Gao County Electricity and Sichuan Energy Yangliutan Power Generation, the small hydropower stations operated by other subsidiaries have been closed in accordance with local policies and are no longer generating electricity, resulting in a significant reduction in water withdrawal for electricity generation in 2020 compared to 2019.

¹³ During the Reporting Period, the Group's total electricity generation was 600,010,000 kWh.

9 CONTRIBUTION TO THE SOCIETY

While promoting our own business development, the Group has also been committed to fulfilling our social responsibility. We have always been concerned about the well-being of the communities where we operate, and we understand and respond to the practical needs of the local people. We contribute to the community and create shared value through targeted poverty alleviation, voluntary service and charity.

9.1 FIGHTING AGAINST THE PANDEMIC AND POWER PROTECTION

In 2020, as the pandemic prevention and control measures continued to escalate, Sichuan Energy Investment Development's efforts in the pandemic prevention and power conservation have also increased. During the critical period of fighting against the pandemic, as one of the state-owned enterprises of the provincial power grid, we have been standing fast at our position and fulfilling our responsibility to maintain electricity. During the Reporting Period, we deployed 3,300 emergency repair personnel, carried out 1,532 fault checks and dealt with 65 potential problems in a timely manner, ensuring that the electricity needs of key units, key places and the public in the supply area are met.



With the gradual resumption of work and production of large-scale enterprises and key projects in the supply area, Sichuan Energy Investment Development has implemented eight measures to protect the people's electricity. For enterprise users who have applied for temporary suspension of power supply before the pandemic and are unable to produce during the pandemic, the suspension was automatically renewed until the enterprises apply for resumption of power supply, and basic electricity tariffs were not charged during the suspension period. In addition, we provided free connection of power to designated pandemic prevention and control medical institutions and isolation sites that are in need of additional power supply, in order to effectively promote the work of pandemic prevention and power protection, as well as to ensure the use of electricity for the resumption of work and production.

9 CONTRIBUTION TO THE SOCIETY



In the afternoon of 2 February, 2020, upon receiving the task of installing temporary electricity for four new temporary inspection sites in Shulou Town, Pingshan County, a group of young volunteers quickly headed to the site to start the work and successfully completed the installation of temporary electricity in the morning of 3 February, solving the lighting and heating problems of the temporary inspection sites and providing reliable electricity supply to win the prevention and control battle against the pandemic.

9.2 FLOOD RELIEF AND POWER PROTECTION

In August 2020, Yibin City was hard hit by severe flooding due to heavy rain on consecutive days, which seriously threatened people's domestic electricity consumption. The Yibin Flood Control and Drought Relief Command Station activated the level 2 flood control emergency response, and Sichuan Energy Investment Development immediately activated the flood control emergency plan, sending a working group led by Sichuan Energy Investment Development leaders to guide the subsidiaries to carry out emergency and power protection work.



Sichuan Energy Xuzhou Electricity held a flood control emergency work meeting overnight and set up an assault service team of 15 Party members, who headed to the disaster site and carried out power recovery investigation, debugging and testing work.

9 CONTRIBUTION TO THE SOCIETY



The heavy rain caused one of the 110 kV special transmission line poles in Jinping Town of Sichuan Energy Yibin Electricity Construction to tilt severely. Upon receiving the notice, Sichuan Energy Yibin Electricity Construction immediately activated the circuit rescue emergency plan and organized a rescue team of more than 40 people to head to the scene to repair the line. After 23 hours of continuous struggle, the circuit was repaired and successfully transmitted electricity, which was two days ahead of the estimated outage time.

9.3 TARGETED POVERTY ALLEVIATION

2020 is the closing year of the poverty alleviation campaign. The Group took on the excellent results of last year's targeted poverty alleviation work and further increased its efforts in poverty alleviation. During the Reporting Period, Sichuan Energy Pingshan Electricity formulated the 2020 Poverty Alleviation Plan and the *Notice on the Launching of the 2020 Poverty Alleviation Day Series of Activities*. In order to ensure the effective completion of the poverty alleviation census, Sichuan Energy Pingshan Electricity also formulated the *Notice on Preparing for the National Poverty Alleviation Census* to start deploying poverty alleviation work. In addition, each subsidiary has also launched various poverty alleviation activities, including donation of materials, sending warmth during festivals, guaranteeing safe power supply and repairing infrastructure, etc., in order to contribute to the goal of building a well-off society.



On 21 April, 2020, Sichuan Energy Gong County Electricity visited Xinjian Village in Mutan Town to console 24 severely disabled and poor households, sending them rice and cooking oil to provide basic livelihood security.

9 CONTRIBUTION TO THE SOCIETY



On 4 June, 2020, Sichuan Energy Xingwen Electricity sent 14 propagandists to carry out promotion on the safe use of electricity in Guankou Village, Dahe Miao Ethnic Township, distributing more than 150 sets of promotion manuals, handbags, aprons and other materials on the safe use of electricity to the local public, as well as more than 80 electric safety logo schoolbags. Consultation points about safe use of electricity were also set up in the village to respond to villagers' queries on the use of electricity in production and their daily life.



On 23 July, 2020, Sichuan Energy Pingshan Electricity deployed 12 employees to help with the cleaning of the domestic environment in Youfang Village, Jinping Town. During the Reporting Period, Sichuan Energy Pingshan Electricity carried out more than 10 times of centralized cleaning, visited 98 households and deployed more than 100 person-times to help with the cleaning work.

9 CONTRIBUTION TO THE SOCIETY

9.4 VOLUNTARY SERVICE

In addition to focusing on poverty alleviation, the Group also actively participates in various forms of voluntary service, including electricity repair, pandemic prevention and control, caring for disabled students, etc., to improve the quality of life of residents in the communities where we operate and to contribute to the harmonious development of the enterprise and society.



On 31 January, 2020, in face of the crisis of mask shortage due to the rampant COVID-19 pandemic, the Women's Labour Committee of Sichuan Energy Xingwen Electricity organized employees to purchase materials in batches in many different places, and contacted the garment factory in Xinyang Village, Gongle Town, Xingwen County through multiple channels, cooperating with the sewing workers in the garment factory to produce their own protective masks for emergencies, to ensure the health and safety of employees.



On 12 February, 2020, upon receiving the instruction from the pandemic prevention and control command station in Pingshan Town, Sichuan Energy Pingshan Electricity quickly organized a service team of 13 people to rush to the newly established pandemic prevention and control checkpoint in the district of Ping Shan County, and finally completed the installation of electricity at the checkpoint within three hours to ensure comprehensive electricity supply.

9 CONTRIBUTION TO THE SOCIETY



On 21 May, 2020, Sichuan Energy Pingshan Electricity actively participated in the activity in Ping Shan County of deepening and creating a civilized city in Sichuan Province, organizing young volunteers to clean up the garbage on the streets, roads, flowerbeds and Tianyi Famous Palace.



On 19 September, 2020, Sichuan Energy Gao County Electricity organized more than 10 young volunteers to visit Gao County Zhonghong Special Education School to carry out voluntary service for the disabled. The volunteers distributed bedding, drawing pens, playdough and other gifts donated by Sichuan Energy Gao County Electricity to more than 100 disabled children in the school.

10 Content Index of the Environmental, Social and Governance Reporting Guide

A. Environmental			
General Disclosure & KPI	Description	Chapter Reference or Explanation	
Aspect A1: Emissions:			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	8.1 Environmental Protection Management 8.2 Energy Conservation and Emission Reduction	
KPI	A1.1	The types of emissions and respective emissions data	8.3 Environmental Performances
	A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	8.3 Environmental Performances
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	8.3 Environmental Performances
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	8.3 Environmental Performances
	A1.5	Description of measures to mitigate emissions and results achieved	8.2 Energy Conservation and Emission Reduction
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	8.2 Energy Conservation and Emission Reduction

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A. Environmental		
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	
KPI	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)
	A2.3	Description of energy use efficiency initiatives and results achieved
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced
Aspect A3: The Environmental and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources	
KPI	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them

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B. Social			
General Disclosure & KPI	Description		Chapter Reference or Explanation
Aspect B1: Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare		7.1 Employment Management
KPI	B1.1	Total workforce by gender, employment type, age group and geographical region	7.1 Employment Management
	B1.2	Employee turnover rate by gender, age group and geographical region	7.1 Employment Management
Aspect B2: Health and Safety			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards		7.2 Employees' Safety
KPI	B2.1	Number and rate of work-related fatalities	–
	B2.2	Lost days due to work injury	–
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	7.2 Employees' Safety

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B. Social			
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities		7.3 Talent Development
KPI	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	7.3 Talent Development
	B3.2	The average training hours completed per employee by gender and employee category	7.3 Talent Development
Aspect B4: Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour		7.1 Employment Management
KPI	B4.1	Description of measures to review employment practices to avoid child and forced labour	7.1 Employment Management
	B4.2	Description of steps taken to eliminate such practices when discovered	7.1 Employment Management
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain		6.2 Responsible Procurement
KPI	B5.1	Number of Suppliers by geographical region	6.2 Responsible Procurement
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	6.2 Responsible Procurement

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B. Social			
Aspect B6: Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	6.1 Quality Guarantee Due to the nature of the Group's business, advertising and labelling of products and services provided are not applicable to the Group	
KPI	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	The Group's business does not involve situations where products sold or delivered have to be recalled for safety and health reasons
	B6.2	Number of products and service related complaints received and how they are dealt with	6.1 Quality Guarantee
	B6.3	Description of practices relating to observing and protecting intellectual property rights	6.1 Quality Guarantee
	B6.4	Description of quality assurance process and recall procedures	6.1 Quality Guarantee
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	6.1 Quality Guarantee
Aspect B7: Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	6.3 Anti-Corruption and Integrity	

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B. Social			
KPI	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	6.3 Anti-Corruption and Integrity
	B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored	6.3 Anti-Corruption and Integrity
Aspect B8: Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests		9 Contribution to the Society
KPI	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	9 Contribution to the Society
	B8.2	Resources contributed (e.g. money or time) to the focus area	9 Contribution to the Society